

Effective 5/12/2015

16-6a-610 Purchase of memberships.

- (1) Unless otherwise provided by the bylaws, a nonprofit corporation may not purchase the membership of a member:
 - (a) who resigns; or
 - (b) whose membership is terminated.
- (2)
 - (a) If so authorized, a nonprofit corporation may purchase the membership of a member who resigns or whose membership is terminated for the amount and pursuant to the conditions set forth in or authorized by:
 - (i) its bylaws; or
 - (ii) agreement with the affected member.
 - (b) A payment permitted under Subsection (2)(a) may not violate:
 - (i) Section 16-6a-1301; or
 - (ii) any other provision of this chapter.
- (3) A mutual benefit corporation may purchase a member's membership if, after the purchase is completed:
 - (a) the mutual benefit corporation would be able to pay its debts as they become due in the usual course of its activities; and
 - (b) the mutual benefit corporation's total assets would at least equal the sum of its total liabilities.

Amended by Chapter 240, 2015 General Session